



Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-34)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-34 with attached transmittal, policy justification and sensitivity of technology.

Dated: August 28, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON VA 22202-6408

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

AUG 07 2012

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-34, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Thailand for defense articles and services estimated to cost \$18 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "Richard A. Genaille, Jr.", is positioned below the word "Sincerely,".

Richard A. Genaille, Jr.
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No.12-34

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended (U)

- (i) Prospective Purchaser: Thailand
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 15 million
Other	<u>\$ 3 million</u>
TOTAL	\$ 18 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Nine Evolved SEASPARROW Missiles (ESSM); three MK25 Quad Pack canisters; and four MK783 shipping containers; spare and repair parts; support and test equipment; publications and technical documentation; personnel training and training equipment; U.S. Government and contractor engineering; technical and logistics support services; and technical assistance; and other related elements of logistical and program support.
- (iv) Military Department: Navy (AKL)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 7 August 2012

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Thailand – Evolved SEASPARROW Missiles (ESSM),

The Government of Thailand has requested a possible sale of nine Evolved SEASPARROW Missiles (ESSM); three MK25 Quad Pack canisters; and four MK783 shipping containers; spare and repair parts; support and test equipment; publications and technical documentation; personnel training and training equipment; U.S. Government and contractor engineering; technical and logistics support services; and technical assistance and other related elements of logistical and program support. The estimated cost is \$18 million.

This proposed sale will contribute to the foreign policy and national security of the United States by increasing the ability of Thailand to contribute to regional security and improving interoperability with the U.S. Military in operational and exercise scenarios. It is consistent with U.S. national interests to assist Thailand in developing and maintaining a strong and ready ship self-defense capability which will contribute to the military balance in the area.

ESSM provides ship self-defense capability. The proposed sale will add to Thailand's capability to meet current and future threats from anti-ship weapons.

The proposed FMS case includes support equipment, training and technical assistance required for the RTN to effectively incorporate the ESSM into its fleet. With this support, the RTN will have no difficulty absorbing the ESSM into its frigates and being fully operational.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Thailand.

The prime contractors will be Raytheon Missile Systems in Tucson, Arizona and BAE Systems in Aberdeen, South Dakota.

There are no known offset agreements proposed in connection with this potential sale.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 12-34

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b) (1)

of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Evolved SEASPARROW missile (ESSM) includes the guidance section, warhead section, transition section, propulsion section, control section and Thrust Vector Control (TVC). The guidance section and transition section and technical documentation to be provided under this sale are classified Confidential. Certain operating frequencies and performance characteristics of the missile guidance section are classified Secret.

2.. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, primarily performance characteristics, engagement algorithms and transmitter specific frequencies, the information could be used to develop countermeasures that might reduce weapon system effectiveness.

3. Release of this technology is within the disclosure authority delegated for Thailand as stipulated in the National Disclosure Policy (NDP-1).

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